

CITIZENS ADVISORY AUDIT COMMITTEE

MISSION: The Audit Committee's primary function is to assist the Board of Supervisors in fulfilling its oversight responsibilities. The committee accomplishes this function by reviewing the County's financial information, the established systems of internal controls, and the audit process.

FORMULATION AUTHORITY: The original Audit Committee was formed by the Board of Supervisors in 1994. A new charter and committee was formed in 1997.

COMPOSITION: The Audit Committee shall consist of five voting members and three non-voting members. The voting members shall be Board appointees from the public and shall serve two-year terms. The non-voting members shall be the County's Chief Financial Officer, the County Attorney or designee, and State Auditor General or designee. The chairman of the Board of Supervisors shall appoint a committee chairman from the voting members. The committee chairman shall serve a one-year term. Committee members should have an understanding of financial reporting, accounting, or auditing, be familiar with local government operations, and have sufficient time to effectively perform the duties listed herein.

DUTIES AND POWERS: In meeting its responsibilities, the Audit Committee shall perform the following duties: 1. Provide an open avenue of communication between the County Auditor, the Auditor General, and the Board of Supervisors. 2. Review the committee's charter annually and seek Board approval on any recommended changes. 3. Inquire of management, the County Auditor, and the Auditor General about significant risks or exposures and assess the steps management has taken to minimize such risks to the County. 4. Consider, in consultation with the Auditor General and the County Auditor, the audit scope and plan of the Internal Audit Department from County offices. 5. Review with the County Auditor and the Auditor General the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources including external auditors and consulting activities. 6. Consider and review with the Auditor General and the County Auditor: a. The adequacy of the County's internal controls including computerized information system controls and security; and b. Any related significant findings and responses thereto. 7. At the completion of the Auditor General's annual examination, the Committee shall review the following: a. The County's annual financial statements and related footnotes; b. The Auditor General's audit of the financial statements and report thereon; c. Any significant changes required in the Auditor General's audit plan; d. Any serious difficulties or disputes encountered during the course of the audit; e. Other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards. 8. Consider and review with management and the County Auditor: a. Significant findings during the year and management's responses thereto; b. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information; c. Any changes required in the planned scope of their audit plan; d. The Internal Audit Department's overall performance and its compliance with accepted standards for the professional practice of internal auditing. 9. Report Committee actions to the Board of Supervisors with such recommendations as the Committee may deem appropriate. 10. Prepare a letter for inclusion in the annual report that describes the Committee's composition and responsibilities, and how they were discharged. 11. The Committee shall meet at least four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary. 12. The Committee shall perform such other functions as assigned by the Board of Supervisors.

MEETINGS: Meetings are held on the third Tuesday of the month or on an as needed basis in the Internal Audit Conference Room, 301 W. Jefferson, 10th Floor, Phoenix, Arizona.

LIAISON: Joan Simpson, Office Manager, Internal Audit, (602) 506-1585, Fax (602) 506-8957.